

RIT - Worksheet Addendum  
Non-reported programs  
November 29,2005

Ref #	Agency	Required by: Constitution	Statute	Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Alternative Funds	Accomplishments	Goals	Date
A	Governor's Office		75-1-1101, MCA	175,000	-	02107	0.00	The Environmental Contingency Account (ECA) provides funding for projects that exhibit emergency or eminent need in the areas of water development, renewable resources, mineral reclamation, hazardous wastes or materials	General Fund	34 projects have been funded since 1987. Such projects include plugging of abandoned wells, abandoned mine work, contamination cleanup, emergency ditch repairs, game damage from major snowstorms, etc.	Provide an on-going source of funding for unmet natural resource related activities	on going
LFD COMMENTS:	<div><div><b>Assessment:</b><ol style="list-style-type: none"><li>The function of the ECA grant program is consistent with:<ol style="list-style-type: none"><li>Use of RIT interest: 15-38-203, MCA</li><li>Environmental Contingency Account Objectives: 75-1-1101,MCA</li></ol></li><li>N/A</li><li>Program does have a measurable goal.</li><li>Program goal is monitored.</li><li>Program is dependent on RIT funding.</li></ol></div><div><b>Discussion:</b><p>Thee ECA fund receives \$175,000 of RIT interest at the beginning of each biennium, or the amount needed to raise the fund balance to \$750,000. The fund has expends on the average approximately \$70,156 per year (\$140,000 per biennium). Expenditures ranged from \$330,286 in FY95 to no expenses FY91 and FY93. Since the average biennial expenditure is less than the RIT interest allocation, the fund balance has risen over time.</p><p>This fund is separate from the governor’s emergency fund, which may be utilized when a disaster or emergency has been declared. Typically this fund covers the costs of perils such as wildfire, floods, earthquakes etc. While the two funds are similar, they are not interchangeable.</p></div><div><b>Options:</b><ul style="list-style-type: none"><li>Change statute to adjust the interest allocation to meet average expenditures</li><li>Clarify fund utilization in statute</li></ul></div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE:

B	None		75-10-743 (11), MCA	\$2.4 million	-	02472	0.00	Transfer of orphan share funds to the Zortman/Landusky perpetual water treatment trust fund. Transfers will occur until the balance is \$19.3 million. The trust will earn interest.	General Fund, local funds	First transfer was made on July 1, 2005.	\$19.8 million by January 1, 2018	01/01/18
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none"><li>The funding of the Z/L Trust is consistent with:<ul style="list-style-type: none"><li>Use of RIT interest: 15-38-203, MCA</li></ul></li><li>N/A</li><li>Program does have a measurable goal.</li><li>Program goal is monitored.</li><li>Program is dependent on RIT funding.</li></ul></div>						<div>Discussion: The Consent Decree guiding reclamation and water treatment at the Zortman and Landusky mines included two provisions for water treatment. First “short-term” funding was established through a \$14,626,422 bond to pay the maintenance and operation of the Zortman/Landusky water treatment plants from June 1997 through June 2017. The bond provides \$731,21 per year, however costs are averaging around \$800,000. Per an agreement with the BLM: “BLM will provide supplemental funding to DEQ to the extent allowed in BLM’s budgeting process in order to maintain operation of the treatment plans after the annual surety payment has been expended.”  The decree also required the establishment of a “long-term” fund. Bonds were purchased to meet this requirement. However, this trust is estimated to be valued at \$14.8 million by 2017, \$11.1 million short of what will be needed to pay for on-going water treatment without considering inflationary costs of system replacement.  This issue was the basis of the bonding report completed by the Legislative Environmental Policy Office in 2004. In the absence of adequate bonding, the costs of reclamation and treatment have to be covered by some other source. In utilizing Orphan Share funds, there is some risk that funds may not be available to reimburse qualified projects. (see Orphan Share Program).</div>			<div>Options:<ul style="list-style-type: none"><li>Propose legislation to establish trust fund from one time only revenue within the general fund ending balance and eliminate the transfer from orphan share to the trust fund.</li><li>Revise orphan share statute to fund reimbursement for orphan projects projects prior to funding the water treatment trust</li></ul></div>		
							SUB COMMITTEE COMMENTS:					